



February 22, 2002

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## ENGROSSED SENATE BILL No. 504

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DIGEST OF SB 504 (Updated February 20, 2002 4:16 PM - DI 77)

**Citations Affected:** IC 4-22; IC 6-3.5; IC 6-6; IC 12-7; IC 12-15; IC 12-16; IC 12-16.1; IC 12-17.7; IC 12-17.8; IC 34-30; IC 35-43; noncode.

**Synopsis:** Delay of uninsured parents program. Delays the effective date of the uninsured parents program for two years. Reinstates the hospital care for the indigent program (which was otherwise repealed July 1, 2004) until June 30, 2004. Amends the hospital's reimbursement calculation.

**Effective:** July 1, 2000 (retroactive); July 1, 2001 (retroactive); January 1, 2002 (retroactive); July 1, 2002; July 1, 2003.

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### Johnson

(HOUSE SPONSORS — CRAWFORD, BECKER)

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January 14, 2002, read first time and referred to Committee on Health and Provider Services.

January 29, 2002, amended, reported favorably — Do Pass.

February 1, 2002, read second time, ordered engrossed. Engrossed.

February 5, 2002, read third time, passed. Yeas 47, nays 0.

#### HOUSE ACTION

February 11, 2002, read first time and referred to Committee on Public Health.

February 21, 2002, amended, reported — Do Pass.

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ES 504—LS 7190/DI 104+



February 22, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## ENGROSSED SENATE BILL No. 504

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A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.204-2001,  
2       SECTION 6, AS AMENDED BY P.L.287-2001, SECTION 1, AND  
3       AS AMENDED BY P.L.283-2001, SECTION 1, IS AMENDED AND  
4       CORRECTED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
5       2002]: Sec. 37.1. (a) This section applies to a rulemaking action  
6       resulting in any of the following rules:

7           (1) An order adopted by the commissioner of the Indiana  
8           department of transportation under IC 9-20-1-3(d) or  
9           IC 9-21-4-7(a) and designated by the commissioner as an  
10          emergency rule.

11          (2) An action taken by the director of the department of natural  
12          resources under IC 14-22-2-6(d) or IC 14-22-6-13.

13          (3) An emergency temporary standard adopted by the  
14          occupational safety standards commission under  
15          IC 22-8-1.1-16.1.

16          (4) An emergency rule adopted by the solid waste management  
17          board under IC 13-22-2-3 and classifying a waste as hazardous.

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- 1 (5) A rule, other than a rule described in subdivision (6), adopted  
2 by the department of financial institutions under IC 24-4.5-6-107  
3 and declared necessary to meet an emergency.
- 4 (6) A rule required under IC 24-4.5-1-106 that is adopted by the  
5 department of financial institutions and declared necessary to  
6 meet an emergency under IC 24-4.5-6-107.
- 7 (7) A rule adopted by the Indiana utility regulatory commission to  
8 address an emergency under IC 8-1-2-113.
- 9 (8) An emergency rule jointly adopted by the water pollution  
10 control board and the budget agency under IC 13-18-13-18.
- 11 (9) An emergency rule adopted by the state lottery commission  
12 under IC 4-30-3-9.
- 13 (10) A rule adopted under IC 16-19-3-5 that the executive board  
14 of the state department of health declares is necessary to meet an  
15 emergency.
- 16 (11) An emergency rule adopted by the Indiana transportation  
17 finance authority under IC 8-21-12.
- 18 (12) An emergency rule adopted by the insurance commissioner  
19 under IC 27-1-23-7.
- 20 (13) An emergency rule adopted by the Indiana horse racing  
21 commission under IC 4-31-3-9.
- 22 (14) An emergency rule adopted by the air pollution control  
23 board, the solid waste management board, or the water pollution  
24 control board under IC 13-15-4-10(4) or to comply with a  
25 deadline required by federal law, provided:  
26 (A) the variance procedures are included in the rules; and  
27 (B) permits or licenses granted during the period the  
28 emergency rule is in effect are reviewed after the emergency  
29 rule expires.
- 30 (15) An emergency rule adopted by the Indiana election  
31 commission under IC 3-6-4.1-14.
- 32 (16) An emergency rule adopted by the department of natural  
33 resources under IC 14-10-2-5.
- 34 (17) An emergency rule adopted by the Indiana gaming  
35 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 36 (18) An emergency rule adopted by the *alcoholic beverage*  
37 *alcohol and tobacco* commission under IC 7.1-3-17.5,  
38 IC 7.1-3-17.7, or IC 7.1-3-20-24.4.
- 39 (19) An emergency rule adopted by the department of financial  
40 institutions under IC 28-15-11.
- 41 (20) An emergency rule adopted by the office of the secretary of  
42 family and social services under IC 12-8-1-12.

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(21) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

*(22) After December 31, 2003, an emergency rule adopted by the office of Medicaid policy and planning under IC 12-17.7-2-6 to implement the uninsured parents program.*

~~(22)~~ (23) *An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.*

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

(1) accept the rule for filing; and

(2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and IC 22-8-1.1-16.1, a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(14), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. A rule adopted under subsection

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(a)(14) may be extended for two (2) extension periods. Except for a rule adopted under subsection (a)(14), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

- (1) sections 24 through 36 of this chapter; or
- (2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires on the earlier of the following dates:

- (1) The expiration date stated by the adopting agency in the rule.
- (2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

SECTION 2. IC 6-3.5-1.1-15, AS AMENDED BY P.L.283-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. (a) As used in this section, "attributed levy" of a civil taxing unit means the sum of:

- (1) the ad valorem property tax levy of the civil taxing unit that is currently being collected at the time the allocation is made; plus
- (2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
- (3) the amount of federal revenue sharing funds and certified shares that were used by the civil taxing unit (or any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit) to reduce its ad valorem property tax levies below the limits imposed by IC 6-1.1-18.5; plus

(4) in the case of a county, an amount equal to:

- (A) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; plus
- (B) after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between:

- (i) the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus
- (ii) the current uninsured parents program property tax levy imposed by the county.



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(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a percentage of the certified shares to be distributed in the county equal to the ratio of its attributed levy to the total attributed levies of all civil taxing units of the county.

(c) The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (b)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed levy of its own. The local government tax control board shall certify the attributed levy amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

(d) Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed levy.

SECTION 3. IC 6-3.5-6-17.6, AS AMENDED BY P.L.283-2001, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 17.6. (a) This section applies to a county containing a consolidated city.

(b) On or before July 15 of each year, the budget agency shall make the following calculation:

STEP ONE: Determine the cumulative balance in a county's account established under section 16 of this chapter as of the end of the current calendar year.

STEP TWO: Divide the amount estimated under section 17(b) of this chapter before any adjustments are made under section 17(c) or 17(d) of this chapter by twelve (12).

STEP THREE: Multiply the STEP TWO amount by three (3).

STEP FOUR: Subtract the amount determined in STEP THREE from the amount determined in STEP ONE.

(c) For 1995, the budget agency shall certify the STEP FOUR amount to the county auditor on or before July 15, 1994. Not later than January 31, 1995, the auditor of state shall distribute the STEP FOUR

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amount to the county auditor to be used to retire outstanding obligations for a qualified economic development tax project (as defined in IC 36-7-27-9).

(d) After 1995, the STEP FOUR amount shall be distributed to the county auditor in January of the ensuing calendar year. The STEP FOUR amount shall be distributed by the county auditor to the civil taxing units within thirty (30) days after the county auditor receives the distribution. Each civil taxing unit's share equals the STEP FOUR amount multiplied by the quotient of:

(1) the maximum permissible property tax levy under IC 6-1.1-18.5 for the civil taxing unit, plus, for a county, an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004** adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county; divided by

(2) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 for all civil taxing units of the county, plus an amount equal to:

(A) the property taxes imposed by the county in 1999 for the county's welfare administration fund; plus

(B) after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between:

(i) the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004** adjusted each year after ~~2002~~ **2004** by the ~~state~~ **statewide** average assessed value growth quotient described in IC 12-16-14-3; minus

(ii) the current uninsured parents program property tax levy imposed by the county.

SECTION 4. IC 6-3.5-6-18, AS AMENDED BY P.L.283-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and



computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);

(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;

(4) make payments permitted under IC 36-7-15.1-17.5;

(5) make payments permitted under subsection (i); and

(6) make distributions of distributive shares to the civil taxing units of a county.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year. The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the total property taxes that are first due and payable to the civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county. The denominator of the

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fraction equals the sum of the total property taxes that are first due and payable to all civil taxing units of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(f) The state board of tax commissioners shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The state board of tax commissioners shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal

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body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 5. IC 6-3.5-6-18.5, AS AMENDED BY P.L.283-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

Center Township	\$1,898,145
Decatur Township	\$164,103
Franklin Township	\$173,934
Lawrence Township	\$890,086
Perry Township	\$854,544
Pike Township	\$1,410,375
Warren Township	\$1,027,721
Washington Township	\$1,017,890
Wayne Township	\$988,397
Lawrence-City	\$648,848
Beech Grove	\$639,017



1 Southport \$18,906  
 2 Speedway \$546,000  
 3 (3) For each year after 1995, calculate the total amount of  
 4 revenues that are to be distributed as distributive shares during  
 5 that month as follows:  
 6 STEP ONE: Determine the total amount of revenues that were  
 7 distributed as distributive shares during that month in calendar  
 8 year 1995.  
 9 STEP TWO: Determine the total amount of revenue that the  
 10 department has certified as distributive shares for that month  
 11 under section 17 of this chapter for the calendar year.  
 12 STEP THREE: Subtract the STEP ONE result from the STEP  
 13 TWO result.  
 14 STEP FOUR: If the STEP THREE result is less than or equal  
 15 to zero (0), multiply the STEP TWO result by the ratio  
 16 established under subdivision (1).  
 17 STEP FIVE: Determine the ratio of:  
 18 (A) the maximum permissible property tax levy under  
 19 IC 6-1.1-18.5 and IC 6-1.1-18.6 for each civil taxing unit for  
 20 the calendar year in which the month falls, plus, for a  
 21 county, an amount equal to the property taxes imposed by  
 22 the county in 1999 for the county's welfare fund and welfare  
 23 administration fund, and after December 31, ~~2002~~, **2004**, the  
 24 greater of zero (0) or the difference between the county  
 25 hospital care for the indigent property tax levy imposed by  
 26 the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~  
 27 **2004** by the statewide average assessed value growth  
 28 quotient described in IC 12-16-14-3, minus the current  
 29 uninsured parents program property tax levy imposed by the  
 30 county; divided by  
 31 (B) the sum of the maximum permissible property tax levies  
 32 under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all civil taxing  
 33 units of the county during the calendar year in which the  
 34 month falls, and an amount equal to the property taxes  
 35 imposed by the county in 1999 for the county's welfare fund  
 36 and welfare administration fund, and after December 31,  
 37 ~~2002~~, **2004**, the greater of zero (0) or the difference between  
 38 the county hospital care for the indigent property tax levy  
 39 imposed by the county in ~~2002~~, **2004**, adjusted each year  
 40 after ~~2002~~ **2004** by the statewide average assessed value  
 41 growth quotient described in IC 12-16-14-3, minus the  
 42 current uninsured parents program property tax levy

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imposed by the county.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5 and IC 6-1.1-18.6 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5 and IC 6-1.1-18.6 for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy

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imposed by the county.

SECTION 6. IC 6-3.5-7-12, AS AMENDED BY P.L.283-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) Except as provided in section 23 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and section 15 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; plus

(ii) after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, ~~2002~~, **2004**, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year

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to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) The amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The state board of tax commissioners shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the state board of tax commissioners shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of section 15 of this chapter.



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SECTION 7. IC 6-6-5-10, AS AMENDED BY P.L.283-2001, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected for each taxing unit in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed. However, after December 31, ~~2002~~, **2004**, an amount equal to the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in ~~2002~~, **2004**, adjusted each year after ~~2002~~ **2004** by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county, shall be treated as property taxes apportioned to the county unit. However, for purposes of determining distributions under this section for 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under STEP FIVE of the following STEPS:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(i) the amounts appropriated by the county in the year from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under this subsection without regard to this subdivision.



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1 STEP FIVE: Determine the result of:

- 2 (i) the STEP FOUR amount; multiplied by  
3 (ii) the STEP THREE result.

4 The state welfare allocation shall be deducted from the total amount  
5 available for apportionment and distribution to taxing units under this  
6 section before any apportionment and distribution is made. The county  
7 auditor shall remit the state welfare allocation to the treasurer of state  
8 for deposit in a special account within the state general fund.

9 (d) Such determination shall be made from copies of vehicle  
10 registration forms furnished by the bureau of motor vehicles. Prior to  
11 such determination, the county assessor of each county shall, from  
12 copies of registration forms, cause information pertaining to legal  
13 residence of persons owning taxable vehicles to be verified from the  
14 assessor's records, to the extent such verification can be so made. The  
15 assessor shall further identify and verify from the assessor's records the  
16 several taxing units within which such persons reside.

17 (e) Such verifications shall be done by not later than thirty (30) days  
18 after receipt of vehicle registration forms by the county assessor, and  
19 the assessor shall certify such information to the county auditor for the  
20 auditor's use as soon as it is checked and completed.

21 SECTION 8. IC 12-7-2-76, AS AMENDED BY P.L.283-2001,  
22 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2002]: Sec. 76. (a) "Eligible individual", for purposes of  
24 IC 12-10-10, has the meaning set forth in IC 12-10-10-4.

25 (b) "Eligible individual" has the meaning set forth in  
26 IC 12-14-18-1.5 for purposes of the following:

- 27 (1) IC 12-10-6.  
28 (2) IC 12-14-2.  
29 (3) IC 12-14-18.  
30 (4) IC 12-14-19.  
31 (5) IC 12-15-2.  
32 (6) IC 12-15-3.  
33 (7) **IC 12-16-3.5.**  
34 (8) IC 12-16.1-3.  
35 ~~(8)~~ (9) IC 12-17-1.  
36 ~~(9)~~ (10) IC 12-20-5.5.

37 SECTION 9. IC 12-7-2-104.5, AS AMENDED BY P.L.283-2001,  
38 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2002]: Sec. 104.5. "Holocaust victim's settlement payment"  
40 has the meaning set forth in IC 12-14-18-1.7 for purposes of the  
41 following:

- 42 (1) IC 12-10-6.

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- 1 (2) IC 12-14-2.
- 2 (3) IC 12-14-18.
- 3 (4) IC 12-14-19.
- 4 (5) IC 12-15-2.
- 5 (6) IC 12-15-3.
- 6 (7) **IC 12-16-3.5.**
- 7 (8) IC 12-16.1-3.
- 8 ~~(8)~~ (9) IC 12-17-1.
- 9 ~~(9)~~ (10) IC 12-20-5.5.
- 10 SECTION 10. IC 12-7-2-110, AS AMENDED BY P.L.283-2001,
- 11 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 12 JULY 1, 2002]: Sec. 110. "Hospital" means the following:
- 13 (1) For purposes of IC 12-15-11.5, the meaning set forth in
- 14 IC 12-15-11.5-1.
- 15 (2) For purposes of IC 12-15-18, the meaning set forth in
- 16 IC 12-15-18-2.
- 17 (3) For purposes of **IC 12-16, except IC 12-16-1, and for**
- 18 **purposes of** IC 12-16.1, the term refers to a hospital licensed
- 19 under IC 16-21.
- 20 SECTION 11. IC 12-7-2-118.5 IS ADDED TO THE INDIANA
- 21 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 22 [EFFECTIVE JULY 1, 2002]: **Sec. 118.5. "Inpatient days", for**
- 23 **purposes of IC 12-16-8.5, has the meaning set forth in**
- 24 **IC 12-16-8.5-1.**
- 25 SECTION 12. IC 12-7-2-164, AS AMENDED BY P.L.283-2001,
- 26 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 27 JULY 1, 2002]: Sec. 164. "Resident" has the following meaning:
- 28 (1) For purposes of IC 12-10-15, the meaning set forth in
- 29 IC 12-10-15-5.
- 30 (2) For purposes of **IC 12-16, except IC 12-16-1, and for**
- 31 **purposes of** IC 12-16.1, an individual who has actually resided in
- 32 Indiana for at least ninety (90) days.
- 33 (3) For purposes of IC 12-20-8, the meaning set forth in
- 34 IC 12-20-8-1.
- 35 (4) For purposes of IC 12-24-5, the meaning set forth in
- 36 IC 12-24-5-1.
- 37 SECTION 13. IC 12-15-15-1.1, AS AMENDED BY P.L.283-2001,
- 38 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2001 (RETROACTIVE)]: Sec. 1.1. (a) This section applies to
- 40 a hospital that is:
- 41 (1) licensed under IC 16-21; and
- 42 (2) established and operated under IC 16-22-2 or IC 16-23.



(b) For a state fiscal year ending after June 30, 1997, but before July 1, 2002, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated from the hospital's cost report filed with the office for the hospital's fiscal period ending during the state fiscal year, equal to the difference between:

(1) the amount of payments to the hospital under this article, excluding payments under IC 12-15-16 and IC 12-15-19, for services provided by the hospital during the state fiscal year; and

(2) an amount equal to the lesser of the following:

(A) The hospital's customary charges for the services described in subdivision (1).

(B) A reasonable estimate by the office of the amount that must be paid for the services described in subdivision (1) under Medicare payment principles.

(c) For a state fiscal year ending after ~~June 30, 2000~~, June 30, 2002, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate services reimbursed under this article provided by hospitals established and operated under IC 16-22-2, IC 16-22-8, and IC 16-23.

STEP TWO: For the aggregate services identified under STEP ONE, the office shall calculate the aggregate payments made under this article to hospitals established and operated under IC 16-22-2, IC 16-22-8, and IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate an amount equal to one hundred ~~fifty~~ percent (~~150%~~) (100%) of a reasonable estimate of the amount that would have been paid in the aggregate by the office for services described in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: From the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:

(A) the aggregate payments for covered services made under this article to the hospital during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and

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IC 12-15-19; and

(B) a reasonable estimate of the amount that would have been paid for the services described in clause (A) under Medicare payment principles.

The actual distribution of the amount calculated under this STEP to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under this STEP is not a condition precedent to the tender of payments to hospitals under STEP SEVEN.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

STEP SEVEN: Distribute **to an eligible hospital described in subsection (d) an amount equal to the greater of:**

(A) an amount equal to the amount calculated under STEP SIX to the eligible hospitals described in subsection ~~(c)~~ (d) in proportion to each hospital's hospital specific limit under 42 U.S.C. 1396r-4(g), as determined by the office; **or**

(B) **an amount equal to reimbursement payable to the hospital as allowed under the Medicaid upper payment limit reimbursement methodology.**

~~(c)~~ (d) Subject to subsection ~~(c)~~; (f), reimbursement under this section consists of a single payment made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, 2000; 2002, shall be made before December 31 following the state fiscal year's end. A payment described in this subsection is not due to a hospital unless:

(1) the hospital is licensed under IC 16-21 and is established and operated under IC 16-22-2 or IC 16-23; and

(2) an intergovernmental transfer is made under subsection ~~(d)~~; (e).

~~(d)~~ (e) Subject to subsection ~~(c)~~; (f), a hospital may make an intergovernmental transfer under this subsection, or an intergovernmental transfer may be made on behalf of the hospital, after the close of each state fiscal year. An intergovernmental transfer under this subsection shall be made to the Medicaid indigent care trust fund: ~~in:~~

(1) for fiscal years ending after June 30, 1997, but before July 1, 2002, in an amount equal to or less than eighty-five percent (85%) of the amount determined under subsection (b); and

(2) for a state fiscal year ending after June 30, 2002, in an amount equal to or less than eighty-five percent (85%) of the

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amount to be distributed to the hospital under STEP SEVEN of subsection ~~(b)~~ (c).

The intergovernmental transfer must be used to fund the state's share of payments under this section, a portion of the state's share of disproportionate share payments under IC 12-15-20-2(2), and a portion of the state's share of funding for the uninsured parents program as provided under IC 12-15-20-2(5).

~~(e)~~ (f) A hospital making an intergovernmental transfer under subsection ~~(d)~~ (e) may appeal under IC 4-21.5 the amount determined by the office to be paid the hospital under **subsection (b) or STEP SEVEN of subsection ~~(b)~~ (c)**. The periods described in subsections ~~(e)~~ (d) and ~~(d)~~ (e) for the hospital to make an intergovernmental transfer are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under **subsection (b) or STEP SEVEN of subsection ~~(b)~~ (c)** may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under **subsection (b) or STEP SEVEN of subsection ~~(b)~~ (c)** pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.

~~(f)~~ (g) The office may not implement this section until the federal Health Care Financing Administration has issued its approval of the amended state plan for medical assistance. The office may determine not to continue to implement this section if federal financial participation is not available.

~~(g)~~ (h) This subsection applies to the state fiscal year beginning July 1, ~~2000~~, **2002**, and ending June 30, ~~2001~~, **2003**. If federal law will not permit the percentage calculation in STEP THREE of subsection (b) to be applied to all services identified in STEP ONE of subsection ~~(b)~~ (c) for the state fiscal year, the amount attributable to the excluded services to which the percentage calculation does not apply shall be the maximum amount available without causing the entire amount calculated in STEP THREE of subsection ~~(b)~~ (c) to exceed the applicable Medicaid upper payment limit.

~~(h)~~ For purposes of STEP THREE of subsection (b), if federal law limits the calculation of the Medicaid upper payment limit designated for nonstate government owned or operated hospitals to a percentage less than one hundred fifty percent (150%) of a reasonable estimate of reimbursement under Medicare payment principles, the applicable

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1 ~~maximum percentage allowed under federal law will be applied-~~

2 SECTION 14. IC 12-15-15-9, AS AMENDED BY P.L.283-2001,  
3 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2002]: Sec. 9. (a) Subject to subsections (e), (f), (g), and (h),  
5 for each state fiscal year ending June 30, 1998, June 30, 1999, June 30,  
6 2000, June 30, 2001, ~~and~~ June 30, 2002, **June 30, 2003, and June 30,**  
7 **2004**, a hospital is entitled to a payment under this section.

8 (b) Subject to subsections (e), (f), (g), and (h), total payments to  
9 hospitals under this section for a state fiscal year shall be equal to all  
10 amounts transferred from the state hospital care for the indigent fund  
11 established under IC 12-16 or IC 12-16.1 for Medicaid current  
12 obligations during the state fiscal year, including amounts of the fund  
13 appropriated for Medicaid current obligations.

14 (c) The payment due to a hospital under this section must be based  
15 on a policy developed by the office. The policy:

16 (1) is not required to provide for equal payments to all hospitals;  
17 (2) must attempt, to the extent practicable as determined by the  
18 office, to establish a payment rate that minimizes the difference  
19 between the aggregate amount paid under this section to all  
20 hospitals in a county for a state fiscal year and the amount of the  
21 county's hospital care for the indigent property tax levy for that  
22 state fiscal year; and

23 (3) must provide that no hospital will receive a payment under  
24 this section less than the amount the hospital received under  
25 IC 12-15-15-8 for the state fiscal year ending June 30, 1997.

26 (d) Following the transfer of funds under subsection (b), an amount  
27 equal to the amount determined in the following STEPS shall be  
28 deposited in the Medicaid indigent care trust fund under  
29 IC 12-15-20-2(2) and used to fund a portion of the state's share of the  
30 disproportionate share payments to providers for the state fiscal year:

31 STEP ONE: Determine the difference between:

32 (A) the amount transferred from the state hospital care for the  
33 indigent fund under subsection (b); and

34 (B) thirty-five million dollars (\$35,000,000).

35 STEP TWO: Multiply the amount determined under STEP ONE  
36 by the federal medical assistance percentage for the state fiscal  
37 year.

38 (e) If funds are transferred under IC 12-16-14.1-2(e), those funds  
39 must be used for the state's share of funding for payments to hospitals  
40 under this subsection. A payment under this subsection shall be made  
41 to all hospitals that received a payment under this section for the state  
42 fiscal year beginning July 1, ~~2001~~, **2003**, and ending June 30, ~~2002~~.

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1 **2004.** Payments under this subsection shall be in proportion to each  
 2 hospital's payment under this section for the state fiscal year beginning  
 3 July 1, ~~2001~~, **2003**, and ending June 30, ~~2002~~: **2004**.

4 (f) If the office ~~of the uninsured parents program established by~~  
 5 ~~IC 12-17.7-2-1~~ does not implement an uninsured parents program as  
 6 provided for in IC 12-17.7 before July 1, ~~2003~~, **2005**, and funds are  
 7 transferred under IC 12-16-14.1-3, a hospital is entitled to a payment  
 8 under this section for the state fiscal year beginning on July 1, ~~2002~~:  
 9 **2004**. Payments under this subsection shall be made after July 1, ~~2003~~,  
 10 **2005**, but before December 31, ~~2003~~: **2005**.

11 (g) If the office does not implement an uninsured parents program  
 12 as provided for in IC 12-17.7 before July 1, ~~2003~~, **2005**, a hospital is  
 13 entitled to a payment under this section for state fiscal years ending  
 14 after June 30, ~~2003~~: **2005**.

15 (h) If funds are transferred under IC 12-17.7-9-2, those funds shall  
 16 be used for the state's share of payments to hospitals under this  
 17 subsection. A payment under this subsection shall be made to all  
 18 hospitals that received a payment under this section for the state fiscal  
 19 year beginning July 1, ~~2001~~, **2003**, and ending June 30, ~~2002~~: **2004**.  
 20 Payments under this subsection shall be in proportion to each hospital's  
 21 payment under this section for the state fiscal year beginning July 1,  
 22 ~~2001~~, **2003**, and ending June 30, ~~2002~~: **2004**.

23 SECTION 15. IC 12-15-16-3, AS AMENDED BY P.L.283-2001,  
 24 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2002]: Sec. 3. (a) For purposes of disproportionate share  
 26 eligibility, a provider's low income utilization rate is the sum of the  
 27 following, based on the most recent year for which an audited cost  
 28 report is on file with the office:

29 (1) A fraction (expressed as a percentage) for which:

30 (A) the numerator is the sum of:

31 (i) the total Medicaid patient revenues paid to the provider;  
 32 plus

33 (ii) the amount of the cash subsidies received directly from  
 34 state and local governments, including payments made  
 35 under the hospital care for the indigent program  
 36 (IC 12-16-2) (before its repeal) **and IC 12-16-2.5**; and

37 (B) the denominator is the total amount of the provider's  
 38 patient revenues paid to the provider, including cash subsidies;  
 39 and

40 (2) A fraction (expressed as a percentage) for which:

41 (A) the numerator is the total amount of the provider's charges  
 42 for inpatient services that are attributable to care provided to

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1 individuals who have no source of payment; and

2 (B) the denominator is the total amount of charges for  
3 inpatient services.

4 (b) The numerator in subsection (a)(1)(A) does not include  
5 contractual allowances and discounts other than for indigent patients  
6 not eligible for Medicaid.

7 SECTION 16. IC 12-15-20-2, AS AMENDED BY P.L.283-2001,  
8 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2000 (RETROACTIVE)]: Sec. 2. The Medicaid indigent care  
10 trust fund is established to pay the state's share of the following:

11 (1) Enhanced disproportionate share payments to providers under  
12 IC 12-15-19-1.

13 (2) Subject to subdivision (5), disproportionate share payments to  
14 providers under IC 12-15-19-2.1.

15 (3) Medicaid payments for pregnant women described in  
16 IC 12-15-2-13 and infants and children described in  
17 IC 12-15-2-14.

18 (4) Municipal disproportionate share payments to providers under  
19 IC 12-15-19-8.

20 (5) Of the intergovernmental transfers deposited into the  
21 Medicaid indigent care trust fund under ~~IC 12-15-15-1.1(d)~~,  
22 **IC 12-15-15-1.1(e)**, the following apply:

23 (A) The entirety of the intergovernmental transfers deposited  
24 into the Medicaid indigent care trust fund under  
25 ~~IC 12-15-15-1.1(d)~~ **IC 12-15-15-1.1(e)** for state fiscal years  
26 ending on or before June 30, 2000, shall be used to fund the  
27 state's share of the disproportionate share payments to  
28 providers under IC 12-15-19-2.1.

29 (B) Of the intergovernmental transfers deposited into the  
30 Medicaid indigent care trust fund under ~~IC 12-15-15-1.1(d)~~  
31 **IC 12-15-15-1.1(e)** for the state fiscal years ending after June  
32 30, 2000, **but before July 1, 2004**, an amount equal to one  
33 hundred percent (100%) of the total intergovernmental  
34 transfers deposited into the Medicaid indigent care trust fund  
35 under ~~IC 12-15-15-1.1(d)~~ **IC 12-15-15-1.1(e)** for the state  
36 fiscal year beginning July 1, 1998, and ending June 30, 1999,  
37 shall be used to fund the state's share of disproportionate share  
38 payments to providers under IC 12-15-19-2.1. The remainder  
39 of the intergovernmental transfers under ~~IC 12-15-15-1.1(d)~~  
40 **IC 12-15-15-1.1(e)** for the state fiscal ~~year~~ **years** shall be  
41 transferred to the state uninsured parents program fund  
42 established under ~~IC 12-17-8-2-1~~ to fund the state's share of

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1 funding for the uninsured parents program established under  
 2 ~~IC 12-17.7~~ used to fund the state's share of additional  
 3 Medicaid payments to hospitals licensed under IC 16-21  
 4 pursuant to a methodology adopted by the office.

5 (C) Of the intergovernmental transfers deposited into the  
 6 Medicaid indigent care trust fund under IC 12-15-15-1.1(e)  
 7 for state fiscal years ending after June 30, 2004, an amount  
 8 equal to one hundred percent (100%) of the total  
 9 intergovernmental transfers deposited into the Medicaid  
 10 indigent care trust fund under IC 12-15-15-1.1(e) for the  
 11 state fiscal year beginning July 1, 1998, and ending June  
 12 30, 1999, shall be used to fund the state's share of  
 13 disproportionate share payments to providers under  
 14 IC 12-15-19-2.1. The remainder of the intergovernmental  
 15 transfers under IC 12-15-15-1.1(e) for the state fiscal years  
 16 shall be transferred to the state uninsured parents  
 17 program fund established under IC 12-17.8-2-1 to fund the  
 18 state's share of funding for the uninsured parents program  
 19 established under IC 12-17.7.

20 (D) If the office does not implement an uninsured parents  
 21 program as provided for in IC 12-17.7 before July 1, 2003;  
 22 2005, the intergovernmental transfers transferred to the state  
 23 uninsured parents program fund under clause (B) shall be  
 24 returned to the Medicaid indigent care trust fund to be used to  
 25 fund the state's share of Medicaid add-on payments to  
 26 hospitals licensed under IC 16-21 under a payment  
 27 methodology which shall be developed by the office.

28 ~~(D)~~ (E) If funds are transferred under IC 12-17.7-9-2 or  
 29 ~~IC 12-17.8-2-4(c)~~ IC 12-17.8-2-4(d) to the Medicaid indigent  
 30 care trust fund, the funds shall be used to fund the state's share  
 31 of Medicaid add-on payments to hospitals licensed under  
 32 IC 16-21 under a payment methodology which the office shall  
 33 develop.

34 SECTION 17. IC 12-16-2.5 IS ADDED TO THE INDIANA CODE  
 35 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2002]:

37 **Chapter 2.5. Hospital Care for the Indigent; Administration and**  
 38 **General Provisions**

39 **Sec. 1. The division shall administer the hospital care for the**  
 40 **indigent program under this article.**

41 **Sec. 2. The division shall adopt necessary forms to be used by**  
 42 **the patients, hospitals, physicians, and county offices in carrying**





1 out the hospital care for the indigent program.

2 **Sec. 3. The following persons have the same rights and**  
 3 **obligations with respect to the hospital care for the indigent**  
 4 **program as the persons have with respect to the Medicaid program**  
 5 **under IC 12-15-8 and IC 12-15-29:**

6 (1) The division.

7 (2) Applicants and recipients of assistance.

8 (3) Insurers.

9 (4) Persons against whom applicants and recipients of  
 10 assistance have claims.

11 (5) The office of Medicaid policy and planning.

12 **Sec. 4. To the extent permitted under federal statutes or**  
 13 **regulations, patient days for patients under the hospital care for**  
 14 **the indigent program shall be included in calculating allowable**  
 15 **disproportionate share additional payments under 42 U.S.C. 1395**  
 16 **ww(d).**

17 **Sec. 5. The hospital care for the indigent program does not**  
 18 **apply to inmates and patients of institutions of the department of**  
 19 **correction, the state department of health, the division of mental**  
 20 **health and addiction, or the division of disability, aging, and**  
 21 **rehabilitative services.**

22 **Sec. 6. This chapter expires June 30, 2004.**

23 **SECTION 18. IC 12-16-3.5 IS ADDED TO THE INDIANA CODE**  
 24 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**  
 25 **JULY 1, 2002]:**

26 **Chapter 3.5. Hospital Care for the Indigent; Eligibility for**  
 27 **Assistance**

28 **Sec. 1. (a) An Indiana resident who meets the income and**  
 29 **resource standards established by the division under section 3 of**  
 30 **this chapter is eligible for assistance to pay for any part of the cost**  
 31 **of care provided in a hospital in Indiana that was necessitated after**  
 32 **the onset of a medical condition that was manifested by symptoms**  
 33 **of sufficient severity that the absence of immediate medical**  
 34 **attention would probably result in any of the following:**

35 (1) Placing the individual's life in jeopardy.

36 (2) Serious impairment to bodily functions.

37 (3) Serious dysfunction of a bodily organ or part.

38 (b) A qualified resident is also eligible for assistance to pay for  
 39 the part of the cost of care that is a direct consequence of the  
 40 medical condition that necessitated the emergency care.

41 **Sec. 2. (a) An individual who is not an Indiana resident is**  
 42 **eligible for assistance to pay for the part of the cost of care**

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provided in a hospital in Indiana that was necessitated after the onset of a medical condition that was manifested by symptoms of sufficient severity that the absence of immediate medical attention would probably result in any of the following:

- (1) Placing the individual's life in jeopardy.
- (2) Serious impairment to bodily functions.
- (3) Serious dysfunction of any bodily organ or part.

(b) An individual is eligible for assistance under subsection (a) only if the following qualifications exist:

- (1) The individual meets the income and resource standards established by the division under section 3 of this chapter.
- (2) The onset of the medical condition that necessitated medical attention occurred in Indiana.

**Sec. 3. (a)** The division shall adopt rules under IC 4-22-2 to establish income and resource eligibility standards for patients whose care is to be paid under the hospital care for the indigent program.

**(b)** To the extent possible, rules adopted under this section must meet the following conditions:

- (1) Be consistent with IC 12-15-21-2 and IC 12-15-21-3.
- (2) Be adjusted at least one (1) time every two (2) years.

**(c)** The income and eligibility standards established under this section do not include any spend down provisions available under IC 12-15-21-2 or IC 12-15-21-3.

**(d)** In addition to the conditions imposed under subsection (b), rules adopted under this section must exclude a Holocaust victim's settlement payment received by an eligible individual from the income and eligibility standards for patients whose care is to be paid for under the hospital care for the indigent program.

**Sec. 4.** A hospital shall provide a patient, and if the patient is not able to understand the statement, the patient's representative, with a statement of the eligibility and benefit standards adopted by the division if at least one (1) of the following occurs:

- (1) The hospital has reason to believe that the patient may be indigent.
- (2) The patient requests a statement of the standards.

**Sec. 5.** This chapter expires June 30, 2004.

SECTION 19. IC 12-16-4.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 4.5. Hospital Care for the Indigent; Application for Assistance**



1       **Sec. 1.** To receive payment from the division for the costs  
 2 incurred in providing care to an indigent person, a hospital must  
 3 file an application with the county office of the county in which the  
 4 hospital is located.

5       **Sec. 2.** A hospital must file the application with a county office  
 6 not more than thirty (30) days after the patient has been admitted  
 7 to the hospital, unless the patient is medically unable and the next  
 8 of kin or legal representative is unavailable.

9       **Sec. 3.** The division shall adopt rules under IC 4-22-2  
 10 prescribing the following:

11           (1) The form of an application.

12           (2) The establishment of procedures for applications.

13           (3) The time for submitting and processing claims.

14       **Sec. 4.** The division and a county office shall make application  
 15 forms available to a hospital upon request.

16       **Sec. 5.** A hospital or an attending physician may assist the  
 17 patient in the preparation of an application for assistance under  
 18 the hospital care for the indigent program.

19       **Sec. 6.** A person who in good faith provides assistance in the  
 20 completion of an application under this chapter is immune from  
 21 civil or criminal liability arising from the assistance.

22       **Sec. 7. (a)** A patient must sign an application if the patient is  
 23 medically able to sign.

24           (b) If a patient is medically unable to sign an application, the  
 25 patient's next of kin or a legal representative, if available, may sign  
 26 the application.

27           (c) If no person under subsections (a) and (b) is able to sign the  
 28 application to file a timely application, a hospital representative  
 29 may sign the application instead of the patient.

30       **Sec. 8. (a)** A patient may file an application directly with the  
 31 county office in the county where the hospital providing care is  
 32 located if the application is filed not more than thirty (30) days  
 33 after the patient's admission to the hospital.

34           (b) Reimbursement for the costs incurred in providing care to  
 35 an eligible person may only be made to the providers of the care.

36       **Sec. 9.** This chapter expires June 30, 2004.

37       SECTION 20. IC 12-16-5.5 IS ADDED TO THE INDIANA CODE  
 38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2002]:

40       **Chapter 5.5. Hospital Care for the Indigent; Eligibility**  
 41 **Determinations; Investigations**

42       **Sec. 1.** A county office shall, upon receipt of an application of a

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1 patient admitted to a hospital, promptly investigate to determine  
 2 the patient's eligibility under the hospital care for the indigent  
 3 program.

4 Sec. 2. (a) The hospital providing medical care to a patient shall  
 5 provide information the hospital has that would assist in the  
 6 verification of indigency of a patient.

7 (b) A hospital that provides information under subsection (a) is  
 8 immune from civil and criminal liability for divulging the  
 9 information.

10 Sec. 3. If the division or county office is unable after prompt and  
 11 diligent efforts to verify information contained in the application  
 12 that is reasonably necessary to determine eligibility, the division or  
 13 county office may deny assistance under the hospital care for the  
 14 indigent program.

15 Sec. 4. The division or county office shall notify in writing the  
 16 patient and the hospital of the following:

17 (1) A decision concerning eligibility.

18 (2) The reasons for a denial of eligibility.

19 (3) That either party has the right to appeal the decision.

20 Sec. 5. This chapter expires June 30, 2004.

21 SECTION 21. IC 12-16-6.5 IS ADDED TO THE INDIANA CODE  
 22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2002]:

24 **Chapter 6.5. Hospital Care for the Indigent; Denial of**  
 25 **Eligibility; Appeals; Judicial Review**

26 Sec. 1. If the division or county office determines that a patient  
 27 is not eligible for payment of medical or hospital care, an affected  
 28 person may appeal to the division not later than ninety (90) days  
 29 after the mailing of notice of that determination to the affected  
 30 person at the person's last known address.

31 Sec. 2. If the division or county office:

32 (1) fails to complete an investigation and determination of  
 33 eligibility under the hospital care for the indigent program  
 34 not more than forty-five (45) days after the receipt of the  
 35 application filed under IC 12-16-4.5; or

36 (2) fails or refuses to accept responsibility for payment of  
 37 medical or hospital care under the hospital care for the  
 38 indigent program;

39 a person affected may appeal to the division not more than ninety  
 40 (90) days after the receipt of the application filed under  
 41 IC 12-16-4.5.

42 Sec. 3. The division shall fix a time and place for a hearing



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before a hearing officer appointed by the director of the division.

Sec. 4. A notice of the hearing shall be served upon all persons interested in the matter at least twenty (20) days before the time fixed for the hearing.

Sec. 5. (a) The division shall determine the eligibility of the person for payment of the cost of medical or hospital care under the hospital care for the indigent program.

(b) If the person is found eligible, the division shall pay the reasonable cost of the care to the persons furnishing the care, subject to the limitations in IC 12-16-7.5.

Sec. 6. A person aggrieved by a determination under section 5(a) of this chapter may appeal the determination under IC 4-21.5.

Sec. 7. (a) The division shall adopt rules under IC 4-22-2 that provide for an administrative appeal procedure that is responsive to the needs of patients and providers.

(b) The procedure must provide for the following:

(1) The location of hearings.

(2) The presentation of evidence.

(3) The use of telecommunications.

Sec. 8. This chapter expires June 30, 2004.

SECTION 22. IC 12-16-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 7.5. Hospital Care for the Indigent; Cost of Care and Payment**

Sec. 1. The division shall pay the following, subject to the limitations in section 4 of this chapter:

(1) The necessary costs of medical or hospital care for indigent patients.

(2) The cost of transportation to the place of treatment arising out of the medical care.

Sec. 2. (a) Except as provided in section 5 of this chapter, claims for payment shall be segregated by year using the patient's admission date.

(b) Each year, the division shall pay claims as provided in section 4 of this chapter, without regard to the county of admission or the county's transfer to the state fund.

Sec. 3. A payment made to a hospital under the hospital care for the indigent program must be on a warrant drawn on the state hospital care for the indigent fund established by IC 12-16-14.

Sec. 4. (a) Each year the division shall pay two-thirds (2/3) of each claim upon submission and approval of the claim.



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(b) If the amount of money in the state hospital care for the indigent fund in a year is insufficient to pay two-thirds (2/3) of each approved claim for patients admitted in that year, the state's and a county's liability to providers under the hospital care for the indigent program for claims approved for patients admitted in that year is limited to the sum of the following:

(1) The amount transferred to the state hospital care for the indigent fund from county hospital care for the indigent funds in that year under IC 12-16-14.

(2) Any contribution to the fund in that year.

(3) Any amount that was appropriated to the state hospital care for the indigent fund for that year by the general assembly.

(4) Any amount that was carried over to the state hospital care for the indigent fund from a preceding year.

(c) This section does not obligate the general assembly to appropriate money to the state hospital care for the indigent fund.

Sec. 5. Before the end of each state fiscal year, the division shall, to the extent there is money in the state hospital care for the indigent fund, pay each provider under the hospital care for the indigent program a pro rata part of the one-third (1/3) balance on each approved claim for patients admitted during the preceding year.

Sec. 6. If:

(1) a claim for a patient admitted during a particular year is not submitted by the deadline established by the division; and

(2) the failure to submit the claim is not the fault of the provider;

the claim shall be considered a claim for the year the claim is submitted for purposes of payment under this chapter.

Sec. 7. The division and a county office are not responsible under the hospital care for the indigent program for the payment of any part of the costs of providing care in a hospital to an individual who is not either of the following:

(1) A citizen of the United States.

(2) A lawfully admitted alien.

Sec. 8. The division and a county office are not liable for any part of the cost of care provided to an individual who has been determined to be a patient described in the rules adopted under IC 12-16-10.5.

Sec. 9. IC 12-16-2.5 through IC 12-16-16.5 does not affect the liability of a county with respect to claims for hospital care for the



indigent for patients admitted before January 1, 1987.

Sec. 10. (a) The budget agency shall estimate for each fiscal year the cost savings to the state hospital care for the indigent fund as the result of the provision of Medicaid to an individual described in IC 12-15-2-12 and IC 12-15-2-13.

(b) The budget agency shall recommend to the general assembly each fiscal year that an amount equal to the cost savings be transferred from the state hospital care for the indigent fund to the state general fund.

Sec. 11. Providers eligible for payment under IC 12-15-15-9 may not receive payment under this chapter.

Sec. 12. All providers receiving payment under this chapter agree to accept, as payment in full, the amount paid for the hospital care for the indigent program for those claims submitted for payment under the program, with the exception of authorized deductibles, co-insurance, co-payment, or similar cost-sharing charges.

Sec. 13. This chapter expires June 30, 2004.

SECTION 23. IC 12-16-8.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 8.5. Hospital Care for the Indigent; Disproportionate Share Providers**

Sec. 1. As used in this chapter, "inpatient days" includes:

- (1) days provided by an acute care subunit of the provider; and
- (2) inpatient days attributable to Medicaid and hospital care for the indigent beneficiaries from other states.

Sec. 2. A payment adjustment consisting of an additional percentage payment for each service paid under the hospital care for the indigent program may be made to a disproportionate share hospital licensed under IC 16-21 that meets the requirements under section 3 of this chapter.

Sec. 3. A provider is a disproportionate share hospital if the provider's Medicaid inpatient utilization rate is at least one (1) standard deviation above the mean Medicaid inpatient utilization rate for providers receiving Medicaid payments in Indiana.

Sec. 4. A provider's Medicaid inpatient utilization rate is a fraction (expressed as a percentage) in which:

- (1) the numerator is the provider's total number of Medicaid and health care for the indigent inpatient days in a cost reporting period; and



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(2) the denominator is the total number of the provider's inpatient days in that same period.

**Sec. 5. A disproportionate share hospital must receive a twenty percent (20%) adjustment for each service.**

**Sec. 6. This chapter expires June 30, 2004.**

SECTION 24. IC 12-16-9.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 9.5. Hospital Care for the Indigent; Rate of Payment**

**Sec. 1. The rate of payment for the services and materials provided by hospitals and physicians under the hospital care for the indigent program is the same rate as payment for the same type of services and materials under the rules adopted by the secretary under Medicaid.**

**Sec. 2. This chapter expires June 30, 2004.**

SECTION 25. IC 12-16-10.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 10.5. Hospital Care for the Indigent; Rules**

**Sec. 1. The division shall, with the advice of the division's medical staff, the division of mental health and addiction, the division of disability, aging, and rehabilitative services, and other individuals selected by the director of the division, adopt rules under IC 4-22-2 to do the following:**

(1) Provide for review and approval of services paid under the hospital care for the indigent program.

(2) Establish limitations consistent with medical necessity on the duration of services to be provided.

(3) Specify the amount of and method for reimbursement for services.

(4) Specify the conditions under which payments will be denied and improper payments will be recovered.

**Sec. 2. To the extent possible, rules adopted under section 1 of this chapter must be consistent with IC 12-15-21-2 and IC 12-15-21-3.**

**Sec. 3. The rules adopted under section 1 of this chapter must include rules that will deny payment for services provided to a patient after the patient is medically stable and can safely be discharged.**

**Sec. 4. (a) The division shall adopt rules under IC 4-22-2 necessary to establish a statewide collection system of data concerning the hospital care for the indigent program.**

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(b) The following data must be collected:

(1) Patient demographics.

(2) Types of services provided by hospitals.

(3) Costs of particular types of services provided by hospitals.

(c) A hospital that provides services under the hospital care for the indigent program shall file copies of all claims submitted under the program with the contractor engaged by the division to adjudicate claims.

Sec. 5. The division may adopt rules under IC 4-22-2 that are in addition to and consistent with the rules required to be adopted under IC 12-16-6.5 governing appeals brought under the hospital care for the indigent program to the division.

Sec. 6. This chapter expires June 30, 2004.

SECTION 26. IC 12-16-11.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 11.5. Hospital Care for the Indigent; Recovery of Payments by Division**

Sec. 1. The division may recover amounts paid under the hospital care for the indigent program by the division from the following:

(1) A patient approved for assistance.

(2) A person legally responsible for those patients approved for assistance.

(3) The estate of the patient or person.

Sec. 2. The division is subrogated to the rights of a patient receiving assistance under the hospital care for the indigent program, to the extent of the assistance given by the division, that the patient has against any other person who is in any part liable for the illness or injury for which assistance was granted under the hospital care for the indigent program.

Sec. 3. This chapter expires June 30, 2004.

SECTION 27. IC 12-16-12.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 12.5. Hospital Care for the Indigent; County With Health and Hospital Corporation; Responsibility for Medical Cost**

Sec. 1. This chapter applies to a county having a health and hospital corporation created under IC 16-22-8-6.

Sec. 2. The division is responsible for the emergency medical care given in a hospital to an individual who qualifies for assistance under this chapter, subject to the limitations in IC 12-16-7.5.



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1       **Sec. 3. The hospital providing care shall transfer the patient to**  
 2       **a hospital operated by the health and hospital corporation as soon**  
 3       **as the attending physician determines that the patient's medical**  
 4       **condition permits the transfer without injury to the patient.**

5       **Sec. 4. (a) If a hospital owned by the health and hospital**  
 6       **corporation is:**

7               **(1) unable to care for a patient; or**

8               **(2) unable to treat a patient at the time a transfer is requested**  
 9               **by the hospital initiating treatment;**

10       **the hospital may continue to treat the patient until the patient's**  
 11       **discharge.**

12       **(b) Subject to the limitations in IC 12-16-7.5, the division shall**  
 13       **pay the costs of care.**

14       **Sec. 5. The division is not responsible for the following:**

15               **(1) The payment of nonemergency medical costs, except as**  
 16               **provided under the hospital care for the indigent program.**

17               **(2) The payment of medical costs accrued at a hospital owned**  
 18               **or operated by a health and hospital corporation, except for**  
 19               **hospital care provided under this chapter to a person not**  
 20               **residing in Marion County.**

21       **Sec. 6. This chapter expires June 30, 2004.**

22       **SECTION 28. IC 12-16-13.5 IS ADDED TO THE INDIANA**  
 23       **CODE AS A NEW CHAPTER TO READ AS FOLLOWS**  
 24       **[EFFECTIVE JULY 1, 2002]:**

25       **Chapter 13.5. Hospital Care for the Indigent; Immunity**

26       **Sec. 1. A hospital, a physician, or an agent or employee of a**  
 27       **hospital or physician that provides services in good faith under the**  
 28       **hospital care for the indigent program is immune from liability to**  
 29       **the extent the liability is attributable to at least one (1) of the**  
 30       **following:**

31               **(1) The requirement that a patient be transferred under**  
 32               **IC 12-16-12.5.**

33               **(2) The denial of payment under IC 12-16-10.5.**

34       **Sec. 2. Section 1(1) of this chapter does not limit liability for the**  
 35       **determination that the patient's medical condition permits a**  
 36       **transfer under IC 12-16-12.5.**

37       **Sec. 3. This chapter expires June 30, 2004.**

38       **SECTION 29. IC 12-16-14-3, AS AMENDED BY P.L.283-2001,**  
 39       **SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**  
 40       **JULY 1, 2002]: Sec. 3. Except as provided in sections 3.4 and 3.7 of**  
 41       **this chapter, each county shall impose a hospital care for the indigent**  
 42       **property tax levy equal to the product of:**

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(1) for the initial annual levy under this chapter after July 1, ~~2002~~  
**2004**:

(A) a levy equal to ninety percent (90%) of the hospital care  
 for the indigent property tax levy for taxes first due and  
 payable in calendar year ~~2002~~; **2004**; multiplied by

(B) the statewide average assessed value growth quotient,  
 using all the county assessed value growth quotients  
 determined under IC 6-1.1-18.5-2 for the year in which the tax  
 levy under this subdivision will be first due and payable; and

(2) for all subsequent annual levies under this section:

(A) a levy equal to the hospital care for the indigent program  
 property tax levy for taxes first due and payable in the  
 preceding calendar year; multiplied by

(B) the statewide average assessed value growth quotient,  
 using all the county assessed value growth quotients  
 determined under IC 6-1.1-18.5-2 for the year in which the tax  
 levy under this subdivision will be first due and payable.

SECTION 30. IC 12-16-14-3.4, AS ADDED BY P.L.283-2001,  
 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 JULY 1, 2002]: Sec. 3.4. A county having a population of at least four  
 hundred thousand (400,000) but less than seven hundred thousand  
 (700,000) shall have a hospital care for the indigent property tax levy  
 equal to the product of:

(1) for the initial annual levy under this chapter following July 1,  
~~2002~~; **2004**, a levy equal to:

(A) the difference between:

(i) the hospital care for the indigent property tax levy for  
 taxes first due and payable in calendar year ~~2002~~; **2004**;  
 minus

(ii) four million dollars (\$4,000,000); multiplied by

(B) the statewide average assessed value growth quotient,  
 using all the county assessed value growth quotients  
 determined under IC 6-1.1-18.5-2 for the year in which the tax  
 levy under this subdivision will be first due and payable; and

(2) for all subsequent annual levies under this section:

(A) a levy equal to the hospital care for the indigent program  
 levy for taxes first due and payable in the preceding calendar  
 year; multiplied by

(B) the statewide average assessed value growth quotient,  
 using all the county assessed value growth quotients  
 determined under IC 6-1.1-18.5-2 for the year in which the tax  
 levy under this subdivision will be first due and payable.



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SECTION 31. IC 12-16-14-3.7, AS ADDED BY P.L.283-2001, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.7. A county having a population of at least two hundred thousand (200,000) but less than three hundred thousand (300,000) shall have a hospital care for the indigent property tax levy equal to the product of:

(1) for the initial annual levy under this chapter following July 1, ~~2002~~, **2004**, a levy equal to:

(A) the difference between:

(i) the hospital care for the indigent property tax levy for taxes first due and payable in calendar year ~~2002~~, **2004**; minus

(ii) one million dollars (\$1,000,000); multiplied by

(B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable; and

(2) for all subsequent annual levies under this section:

(A) a levy equal to the hospital care for the indigent program levy for taxes first due and payable in the preceding calendar year; multiplied by

(B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable.

SECTION 32. IC 12-16-14.1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 0.5. This chapter applies after June 30, 2004.**

SECTION 33. IC 12-16-14.1-1, AS ADDED BY P.L.283-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) All funds in a county hospital care for the indigent fund on July 1, ~~2002~~, **2004**, derived from taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be immediately transferred to the state hospital care for the indigent fund.

(b) Subject to subsection (d), beginning July 1, ~~2002~~, **2004**, all tax receipts derived from taxes levied under IC 12-16-14-1(1) that are first due and payable in calendar year ~~2002~~ **2004** or earlier, or allocated under IC 12-16-14-1(2) in calendar year ~~2002~~ **2004** or earlier, shall be paid into the county general fund. Before the fifth day of each month, all of the tax receipts paid into the general fund under this ~~subdivision~~ **subsection** during the preceding month shall be transferred to the state



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hospital care for the indigent fund.

(c) All tax receipts derived from taxes levied under IC 12-16-14-1(1) that are first due and payable after calendar year ~~2002~~, **2004**, or allocated under IC 12-16-14-1(2) after calendar year ~~2002~~, **2004**, shall be paid into the county general fund. Before the fifth day of each month, all of the tax receipts paid into the general fund under this ~~subdivision~~ **subsection** during the preceding month shall be transferred to the state uninsured parents program fund established by IC 12-17.8-2-1.

(d) If the state hospital care for the indigent fund is closed under section 2(d) of this chapter at the time a transfer of receipts is to be made to the fund, the receipts shall be transferred to the state uninsured parents program fund established by IC 12-17.8-2-1.

SECTION 34. IC 12-16-14.1-2, AS ADDED BY P.L.283-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) Subject to subsections (b), (c), and (e), and subject to the requirements of IC 12-15-15-9(b) regarding appropriations from the state hospital care for the indigent fund for Medicaid current obligations, beginning July 1, ~~2002~~, **2004**, all funds deposited in the state hospital care for the indigent fund derived from taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be used by the division to pay claims for services:

(1) eligible for payment under the hospital care for the indigent program under IC 12-16-2 (before its repeal); and

(2) provided before July 1, ~~2002~~, **2004**.

(b) This section may not delay, limit, or reduce the following:

(1) Any appropriation required under state law from the state hospital care for the indigent fund for Medicaid current obligations for the state fiscal years beginning July 1, ~~2000~~, **2002**, and July 1, ~~2001~~, **2003**, for purposes of payments under IC 12-15-15-9(a) through IC 12-15-15-9(d) for the state fiscal years beginning ~~July 1, 2000~~, **2002**, and July 1, ~~2001~~, **2003**.

(2) The transfer of additional funds from the state hospital care for the indigent fund for Medicaid current obligations anticipated under IC 12-15-15-9(b) for purposes of IC 12-15-15-9(a) through IC 12-15-15-9(d) for the state fiscal years beginning July 1, ~~2000~~, **2002**, and July 1, ~~2001~~, **2003**.

(3) For state fiscal years beginning after June 30, ~~2002~~, **2004**, any other appropriation required under state law from the state hospital care for the indigent fund for the uninsured parents program established under ~~IC 12-17.7-2-2~~, **IC 12-17.7-2-1**.



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(c) The division shall cooperate with the office in causing the appropriations and transfers from the state hospital care for the indigent fund described in subsection (b) to occur.

(d) The state hospital care for the indigent fund shall close upon the earlier of the following:

(1) The payment of all funds in the fund.

(2) The payment of all claims for services provided before July 1, ~~2002~~, **2004**, that were eligible for payment under the hospital care for the indigent program under IC 12-16-2 (before its repeal).

(e) Notwithstanding subsection (d) and IC 12-16.1, if at any time before the closing of the state hospital care for the indigent fund the amount of funds on deposit exceeds the amount necessary to pay the claims for services provided before July 1, ~~2002~~, **2004**, that were eligible for payment under the hospital care for the indigent program under ~~IC 12-16~~ **IC 12-16-7** (before its repeal), those excess funds shall be transferred from the fund for use as the state's share of funding for payments to hospitals under IC 12-15-15-9(e). Subject to ~~the operation~~ of sections 5 and 6 of this chapter, amounts deposited in the state hospital care for the indigent fund under IC 12-16.1 are not subject to this subsection.

(f) Upon the closing of the state hospital care for the indigent fund, no further obligation shall be owed under the hospital care for the indigent program under IC 12-16-2 (before its repeal).

SECTION 35. IC 12-16-14.1-3, AS ADDED BY P.L.283-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, ~~2003~~, **2005**, the amounts transferred under this chapter to the state uninsured parents program fund established by IC 12-17.8-2-1 shall be distributed as follows:

STEP ONE: Calculate the total amount of funds deposited in the state hospital care for the indigent fund for the period of July 1, ~~2000~~, **2002**, through June 30, ~~2001~~, **2003**.

STEP TWO: Of the funds calculated under STEP ONE, calculate the percentage of those funds transferred from the state hospital care for the indigent fund for purposes of funding Medicaid obligations and payments under IC 12-15-15-9 for the state fiscal year beginning July 1, ~~2000~~, **2002**.

STEP THREE: Multiply an amount equal to the amounts transferred under this chapter to the state uninsured parents program fund by the percentage calculated under STEP TWO.

STEP FOUR: Transfer an amount equal to one hundred percent



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(100%) of the amount calculated under STEP THREE for purposes of funding the state's share of payments under IC 12-15-15-9(f).

STEP FIVE: Transfer the funds remaining after the transfer under STEP FOUR to the state hospital care for the indigent fund established under IC 12-16.1-13-3.

SECTION 36. IC 12-16-14.1-5, AS ADDED BY P.L.283-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. If the office does not implement an uninsured parents program as provided for in IC 12-17.7 before July 1, ~~2003~~: **2005:**

(1) the transfer of funds under this chapter will cease on July 1, ~~2003~~; **2005;**

(2) all tax receipts on deposit in a county general fund under section 1(b) of this chapter shall be immediately transferred to the state hospital care for the indigent fund for use as provided in section 2 of this chapter or, if the state hospital care for the indigent fund is closed, to the state uninsured parents program fund;

(3) on July 1, ~~2003~~; **2005**, all tax receipts on deposit in a county general fund under section 1(c) of this chapter shall be immediately transferred to the state uninsured parents program fund for distribution under section 3 of this chapter; and

(4) all funds deposited in the state hospital care for the indigent fund shall be used as provided in section 2 of this chapter.

SECTION 37. IC 12-16-15.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 15.5. Hospital Care for the Indigent; Advancements From State Fund**

**Sec. 1. The division may request an advancement of money from the state general fund in anticipation of county property tax revenue being transferred to the state hospital care for the indigent fund.**

**Sec. 2. (a) The budget director shall determine an interest rate that is at least the interest rate earned by the state on investments made from money in the state general fund.**

**(b) The interest rate shall be paid on the amount that is advanced from the state general fund.**

**Sec. 3. The amount that may be advanced, plus the projected interest on that amount, may not exceed the amount of county property tax revenue that is expected to be transferred to the state**



hospital care for the indigent fund during the six (6) months following the date of the request.

**Sec. 4. A request for an advancement must be submitted to the budget agency.**

**Sec. 5. The state board of finance may, on the recommendation of the director of the budget agency, approve an advancement.**

**Sec. 6. If an advancement is approved, the county property tax revenue transferred to the state hospital care for the indigent fund shall be immediately used to repay the amount of the interest and advancements made under this section.**

**Sec. 7. This chapter expires June 30, 2004.**

SECTION 38. IC 12-16-16.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

**Chapter 16.5. Hospital Care for the Indigent; Review of Medical Criteria**

**Sec. 1. The division shall review changes made after 1985 in the medical criteria used to establish whether a patient is eligible for assistance under IC 12-16-3.5.**

**Sec. 2. The division's review under this chapter must include the application of the criteria to specific cases and address whether changes to or clarification of the criteria is necessary so that, in practice, the criteria is consistent with the hospital care for the indigent program.**

**Sec. 3. The division shall provide to an interested party a report of the division's review, including the division's findings, conclusions, and recommendations.**

**Sec. 4. This chapter expires June 30, 2004.**

SECTION 39. IC 12-16.1-1-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 0.5. This article applies after June 30, 2005.**

SECTION 40. IC 12-16.1-1-1, AS ADDED BY P.L.283-2001, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) This article applies only if:

(1) the office does not implement the uninsured parents program as provided for in IC 12-17.7 before July 1, ~~2003~~, **2005**; or

(2) the uninsured parents program is terminated under IC 12-17.7-9.

(b) If the office implements the uninsured parents program as provided for in IC 12-17.7 and the program is terminated under IC 12-17.7-9, this article applies beginning on the date that the program

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1 is terminated.

2 SECTION 41. IC 12-17.7-1-0.5 IS ADDED TO THE INDIANA  
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2002]: **Sec. 0.5. This article applies after June**  
5 **30, 2004.**

6 SECTION 42. IC 12-17.8-1-0.5 IS ADDED TO THE INDIANA  
7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2002]: **Sec. 0.5. This article applies after June**  
9 **30, 2003.**

10 SECTION 43. IC 12-17.8-1-1, AS ADDED BY P.L.283-2001,  
11 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JULY 1, 2002]: Sec. 1. This chapter applies beginning July 1, ~~2002:~~  
13 **2004.**

14 SECTION 44. IC 12-17.8-2-4, AS ADDED BY P.L.283-2001,  
15 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JULY 1, 2002]: Sec. 4. (a) Subject to subsections (c) and (d), money in  
17 the state uninsured parents program fund at the end of a state fiscal  
18 year remains in the fund and does not revert to the state general fund.

19 (b) For each state fiscal year beginning July 1, ~~2002;~~ **2004**, the  
20 office of ~~the uninsured parents program established by IC 12-17.7-2-1~~  
21 **Medicaid policy and planning established by IC 12-8-6-1** shall  
22 transfer from the state uninsured parents program fund an amount  
23 equal to the amount determined by multiplying thirty-five million  
24 dollars (\$35,000,000) by the federal medical assistance percentage for  
25 the state fiscal year. The transferred amount shall be used for Medicaid  
26 current obligations. The transfer may be made in a single payment or  
27 multiple payments throughout the state fiscal year.

28 (c) At the end of a state fiscal year, the office shall do the following:

29 (1) Determine the sums on deposit in the state uninsured parents  
30 program fund.

31 (2) Calculate a reasonable estimate of the sums to be transferred  
32 to the state uninsured parents program fund during the next state  
33 fiscal year, taking into consideration the timing of the transfers.

34 (3) Calculate a reasonable estimate of the expenses to be paid by  
35 the program during the next state fiscal year, taking into  
36 consideration the likely number of enrollees in the program  
37 during the next state fiscal year.

38 (d) If the amount on deposit in the state uninsured parents program  
39 fund at the end of a state fiscal year, combined with the estimated  
40 amount of transfers of funds into the fund during the next state fiscal  
41 year, exceeds the estimate of the expenses to be paid by the program  
42 during the next state fiscal year, then a sum equal to the excess amount

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1 shall be transferred from the funds on deposit in the state uninsured  
 2 parents program fund at the end of the state fiscal year to the Medicaid  
 3 indigent care trust fund for purposes of IC 12-15-20-2(5)(D).

4 SECTION 45. IC 34-30-2-45.5, AS ADDED BY P.L.283-2001,  
 5 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2002]: Sec. 45.5. **IC 12-16-4.5-6, and after June 30, 2004,**  
 7 IC 12-16.1-4-6 (Concerning persons who aid a patient in completing an  
 8 application for assistance under the hospital care for the indigent  
 9 program).

10 SECTION 46. IC 34-30-2-45.7, AS ADDED BY P.L.283-2001,  
 11 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2002]: Sec. 45.7. **IC 12-16-5.5-2, and after June 30, 2004,**  
 13 IC 12-16.1-5-2 (Concerning hospitals for providing information  
 14 verifying indigency of patient).

15 SECTION 47. IC 34-30-2-45.9, AS ADDED BY P.L.283-2001,  
 16 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2002]: Sec. 45.9. **IC 12-16-13.5-1, and after June 30, 2004,**  
 18 IC 12-16.1-12-1 (Concerning hospitals or persons providing services  
 19 under the hospital care for the indigent program).

20 SECTION 48. IC 35-43-5-7.3, AS ADDED BY P.L.283-2001,  
 21 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 7.3. (a) **After June 30,**  
 23 **2004,** except as provided in subsection (b), a person who knowingly or  
 24 intentionally:

- 25 (1) files an uninsured parents program claim, including an
- 26 electronic claim, in violation of IC 12-17.7;
- 27 (2) obtains payment from the uninsured parents program under
- 28 IC 12-17.7 by means of a false or misleading oral or written
- 29 statement or other fraudulent means;
- 30 (3) acquires a provider number under the uninsured parents
- 31 program except as authorized by law;
- 32 (4) alters with intent to defraud or falsifies documents or records
- 33 of a provider (as defined in 42 CFR 1002.301) that are required
- 34 to be kept under the uninsured parents program; or
- 35 (5) conceals information for the purpose of applying for or
- 36 receiving unauthorized payments from the uninsured parents
- 37 program;

38 commits insurance fraud, a Class D felony.

39 (b) The offense described in subsection (a) is a Class C felony if the  
 40 fair market value of the offense is at least one hundred thousand dollars  
 41 (\$100,000).

42 SECTION 49. P.L.283-2001, SECTION 41, IS AMENDED TO

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1 READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: SECTION 41.  
 2 Notwithstanding any other provision of this act, the following are not  
 3 prohibited or limited:

4 (1) A levy of taxes under IC 12-16-14-1(1) before July 1, ~~2002~~,  
 5 **2004** or the collection of those taxes after July 1, ~~2002~~; **2004**.

6 (2) An assessment of taxes under IC 12-16-14-1(2) before July 1,  
 7 ~~2002~~; **2004**, or the collection and allocation of those taxes after  
 8 July 1, ~~2002~~; **2004**.

9 SECTION 50. P.L.283-2001, SECTION 42, IS AMENDED TO  
 10 READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: SECTION 42. (a)  
 11 As used in this SECTION, "office" refers to the office of the secretary  
 12 of family and social services established by IC 12-8-1-1.

13 (b) If necessary, the office shall apply to the federal Health Care  
 14 Financing Administration for approval of the necessary state plan  
 15 amendment and demonstration waiver (42 U.S.C. 1396 et seq.) to  
 16 implement the uninsured parents program established under  
 17 IC 12-17.7, as added by this act, as a non-open ended entitlement  
 18 program that takes into consideration the fact that enrollment levels  
 19 must be adjusted to prevent state expenditures beyond revenues  
 20 dedicated to fund the program.

21 (c) The office may not implement a state plan amendment or a  
 22 waiver until the office files an affidavit with the governor attesting that  
 23 both the amendment and waiver applied for under this SECTION are  
 24 in effect. The office shall file the affidavit under this subsection not  
 25 later than five (5) days after the office is notified that both the  
 26 amendment and the waiver are approved.

27 (d) If the office receives approval of the state plan amendment and  
 28 waiver request from the federal Health Care Financing Administration  
 29 and the governor receives the affidavit under subsection (c), the office  
 30 shall implement the state plan amendment and waiver thirty (30) days  
 31 after the governor receives the affidavit under subsection (c).

32 (e) Notwithstanding subsection (d), the office shall not in any event  
 33 implement the state plan amendment and waiver:

34 (1) before:

35 (A) January 1, ~~2002~~; **2004**; and

36 (B) requisite funds for the program's implementation are  
 37 available or projected to be available, as determined by the  
 38 office;

39 (2) if federal law does not allow an upper payment limit  
 40 designated for Medicaid reimbursement to nonstate government  
 41 owned or operated hospitals equal to one hundred fifty percent  
 42 (150%) of a reasonable estimate of reimbursement under

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1 Medicare payment principles; or  
 2 (3) after June 30, ~~2003~~ **2005**.  
 3 (f) As soon as possible after the date that the office implements the  
 4 state plan amendment and waiver, the office shall:  
 5 (1) publish a public notice; and  
 6 (2) adopt a rule under IC 4-22-2;  
 7 stating the implementation date of the uninsured parents program.  
 8 (g) If the state plan amendment and waiver are not implemented  
 9 before July 1, ~~2003~~ **2005**, the office may not implement IC 12-17.7, as  
 10 added by this act.  
 11 (h) This SECTION expires July 2, ~~2003~~ **2005**.  
 12 SECTION 51. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 504, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 17, line 17, strike "June 30, 2000," and insert "**June 30, 2002,**".

and when so amended that said bill do pass.

(Reference is to SB 504 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 7, Nays 0.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 504, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 16, line 39, delete "2000" and insert "2001".

Page 17, line 30, strike "fifty".

Page 17, line 30, strike "(150%)" and insert "**(100%)**".

Page 18, line 13, after "Distribute" insert "**to an eligible hospital described in subsection (d) an amount equal to the greater of:**  
**(A)**".

Page 18, line 16, delete "office." and insert "office; **or**

**(B) an amount equal to reimbursement payable to the hospital as allowed under the Medicaid upper payment limit reimbursement methodology.**".

Page 18, line 34, after "to" insert "**or less than**".

Page 18, line 36, delete "2000" and insert "**2002**".

Page 18, line 37, after "equal to" insert "**or less than**".

Page 19, line 33, delete "(i)".

Page 19, line 33, strike "For purposes of STEP THREE of subsection".

Page 19, line 33, delete "(c)".

Page 19, line 33, strike "if".

Page 19, strike lines 34 through 39.

Page 22, line 28, delete "2002" and insert "**2004**".

Page 22, line 41, delete "IC 16-20" and insert "**IC 16-21**".

Page 23, line 3, delete "2002" and insert "**2004**".

Page 23, line 7, delete "2000" and insert "**1998**".

Page 23, line 8, delete "2001" and insert "**1999**".

and when so amended that said bill do pass.

(Reference is to SB 504 as printed January 30, 2002.)

BROWN C, Chair

Committee Vote: yeas 12, nays 0.

ES 504—LS 7190/DI 104+



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